



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: May 10, 2011

TO: Mayor and Councilmembers

FROM: Administration Division, Finance Department

SUBJECT: Fiscal Year 2011 Third Quarter Financial Review

RECOMMENDATION: That Council:

- A. Hear a report from staff on the status of revenues and expenditures in relation to budget as of March 31, 2011;
- B. Accept the Fiscal Year 2011 Interim Financial Statements for the Nine Months Ended March 31, 2011;
- C. Approve an increase in appropriations to the Fire Department in the amount of \$850,000 to cover projected overtime costs in excess of budget;
- D. Approve an increase in appropriations in the City Attorney's Office budget in the amount of \$54,000 to cover several unbudgeted and unexpected costs; and
- E. Approve an increase in estimated transient occupancy tax revenues by \$904,000 to cover the increases to appropriations in the Fire Department and City Attorney's Office budgets.

DISCUSSION:

Each month, staff presents the interim financial statements (Attachment 1) showing the status of revenues and expenditures in relation to budget for each of the City's Funds. Each quarter, the interim financial statements are expanded to include a detailed narrative analysis of the General Fund and Enterprise Funds. This narrative analysis is included in Attachment 2.

In addition to the analysis of revenues and expenditures, staff brings forward any recommended adjustments for City Council approval. These adjustments are the result of new information and/or unanticipated events that occurred since the adoption of the budget in June 2010. A discussion of each is presented below, all of which relate to the General Fund.

Fire Department

During the first half of the fiscal year, the Fire Department had an extraordinary number of personnel out of work due to injury or sickness. Because of minimum staffing requirements, the Department has incurred significant overtime costs to backfill these injured personnel. In addition, with the retirement of ten fire personnel, more overtime costs were incurred to maintain minimum staffing in the last few months while new recruits were sent to the fire academy. In April, these ten new recruits graduated from the fire academy, which is expected to reduce the overtime costs in the last two months of fiscal year.

In total, the Fire Department estimates approximately \$850,000 in costs exceeding budget. Staff is recommending that Council authorize an increase in appropriations funded from an increase in estimated transient occupancy tax (TOT) revenues, which are expected to exceed budget by approximately \$1 million by fiscal year end.

City Attorney's Office

Due to several unbudgeted and unexpected costs, the City Attorney's Office is projected to exceed their budgeted appropriations by an estimated \$54,000. The primary cause of this projected overrun is a \$91,000 payout for accrued vacation and sick leave for an Assistant City Attorney that left the City at the beginning of the fiscal year. Staff recommends that these costs also be funded from an increase in TOT revenues.

ATTACHMENTS:

1. Summary by Fund Statement of Revenues and Expenditures for the Nine Months Ended March 31, 2011
2. Interim Financial Statements for the Nine Months Ended March 31, 2011 (Narrative Analysis)

PREPARED BY: Robert Samario, Finance Director

APPROVED BY: City Administrator's Office

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
Summary by Fund
For the Nine Months Ended March 31, 2011 (75% of Fiscal Year)

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>
GENERAL FUND					
Revenue	99,604,807	69,728,798	-	29,876,009	70.0%
Expenditures	100,619,818	75,021,208	938,389	24,660,222	75.5%
<i>Addition to / (use of) reserves</i>	<u>(1,015,011)</u>	<u>(5,292,409)</u>	<u>(938,389)</u>		
WATER OPERATING FUND					
Revenue	34,632,686	25,088,648	-	9,544,038	72.4%
Expenditures	35,669,711	22,108,075	2,534,354	11,027,282	69.1%
<i>Addition to / (use of) reserves</i>	<u>(1,037,025)</u>	<u>2,980,573</u>	<u>(2,534,354)</u>		
WASTEWATER OPERATING FUND					
Revenue	14,985,411	11,447,550	-	3,537,861	76.4%
Expenditures	19,066,345	12,891,828	1,151,951	5,022,566	73.7%
<i>Addition to / (use of) reserves</i>	<u>(4,080,934)</u>	<u>(1,444,277)</u>	<u>(1,151,951)</u>		
DOWNTOWN PARKING					
Revenue	6,689,440	5,036,053	-	1,653,387	75.3%
Expenditures	7,391,283	4,680,728	773,478	1,937,077	73.8%
<i>Addition to / (use of) reserves</i>	<u>(701,843)</u>	<u>355,325</u>	<u>(773,478)</u>		
AIRPORT OPERATING FUND					
Revenue	13,065,477	10,097,243	-	2,968,234	77.3%
Expenditures	13,134,132	8,812,777	461,916	3,859,439	70.6%
<i>Addition to / (use of) reserves</i>	<u>(68,655)</u>	<u>1,284,466</u>	<u>(461,916)</u>		
GOLF COURSE FUND					
Revenue	2,049,194	1,326,119	-	723,075	64.7%
Expenditures	2,060,811	1,451,386	91,102	518,322	74.8%
<i>Addition to / (use of) reserves</i>	<u>(11,617)</u>	<u>(125,267)</u>	<u>(91,102)</u>		
INTRA-CITY SERVICE FUND					
Revenue	6,083,553	3,776,743	-	2,306,810	62.1%
Expenditures	6,781,899	3,543,091	993,788	2,245,021	66.9%
<i>Addition to / (use of) reserves</i>	<u>(698,346)</u>	<u>233,652</u>	<u>(993,788)</u>		

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenditures
Summary by Fund
For the Nine Months Ended March 31, 2011 (75% of Fiscal Year)

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>
FLEET REPLACEMENT FUND					
Revenue	2,227,068	1,687,485	-	539,583	75.8%
Expenditures	4,631,542	1,863,765	315,958	2,451,819	47.1%
<i>Addition to / (use of) reserves</i>	<u>(2,404,474)</u>	<u>(176,280)</u>	<u>(315,958)</u>		
FLEET MAINTENANCE FUND					
Revenue	2,429,418	1,784,583	-	644,835	73.5%
Expenditures	2,485,972	1,692,358	155,082	638,532	74.3%
<i>Addition to / (use of) reserves</i>	<u>(56,554)</u>	<u>92,226</u>	<u>(155,082)</u>		
SELF INSURANCE TRUST FUND					
Revenue	5,694,553	4,102,938	-	1,591,615	72.1%
Expenditures	6,194,109	4,675,649	346,826	1,171,634	81.1%
<i>Addition to / (use of) reserves</i>	<u>(499,556)</u>	<u>(572,711)</u>	<u>(346,826)</u>		
INFORMATION SYSTEMS ICS FUND					
Revenue	2,339,593	1,755,888	-	583,705	75.1%
Expenditures	2,344,701	1,702,255	65,288	577,157	75.4%
<i>Addition to / (use of) reserves</i>	<u>(5,108)</u>	<u>53,632</u>	<u>(65,288)</u>		
WATERFRONT FUND					
Revenue	11,762,974	8,642,049	-	3,120,925	73.5%
Expenditures	11,850,433	8,308,763	548,087	2,993,584	74.7%
<i>Addition to / (use of) reserves</i>	<u>(87,459)</u>	<u>333,286</u>	<u>(548,087)</u>		
TOTAL FOR ALL FUNDS					
Revenue	201,564,174	144,474,097	-	57,090,078	71.7%
Expenditures	212,230,757	146,751,881	8,376,221	57,102,655	73.1%
<i>Addition to / (use of) reserves</i>	<u>(10,666,583)</u>	<u>(2,277,785)</u>	<u>(8,376,221)</u>		

**** It is City policy to adopt a balanced budget. In most cases, encumbrance balances exist at year-end. These encumbrance balances are obligations of each fund and must be reported at the beginning of each fiscal year. In addition, a corresponding appropriations entry must be made in order to accommodate the 'carried-over' encumbrance amount. Most differences between budgeted annual revenues and expenses are due to these encumbrance carryovers.**

CITY OF SANTA BARBARA
General Fund
Interim Statement of Budgeted and Actual Revenues
For the Nine Months Ended March 31, 2011 (75% of Fiscal Year)

	Annual Budget	YTD Actual	Remaining Balance	Percent Received	Previous YTD
TAXES					
Sales and Use	16,714,359	12,277,729	4,436,630	73.5%	11,389,142
Property Taxes	22,790,000	12,726,570	10,063,430	55.8%	12,817,377
Utility Users Tax	7,040,000	5,243,082	1,796,918	74.5%	5,202,549
Transient Occupancy Tax	11,157,000	9,348,110	1,808,890	83.8%	8,560,351
Franchise Fees	3,266,000	2,570,057	695,943	78.7%	2,666,473
Business License	2,168,000	1,747,967	420,033	80.6%	1,742,246
Real Property Transfer Tax	358,100	286,103	71,997	79.9%	270,612
<i>Total</i>	<u>63,493,459</u>	<u>44,199,618</u>	<u>19,293,841</u>	69.6%	<u>42,648,749</u>
LICENSES & PERMITS					
Licenses & Permits	194,000	145,420	48,580	75.0%	135,840
<i>Total</i>	<u>194,000</u>	<u>145,420</u>	<u>48,580</u>	75.0%	<u>135,840</u>
FINES & FORFEITURES					
Parking Violations	2,469,069	1,849,887	619,182	74.9%	1,800,527
Library Fines	115,000	84,389	30,611	73.4%	92,275
Municipal Court Fines	150,000	114,130	35,870	76.1%	96,344
Other Fines & Forfeitures	175,000	179,291	(4,291)	102.5%	137,731
<i>Total</i>	<u>2,909,069</u>	<u>2,227,696</u>	<u>681,373</u>	76.6%	<u>2,126,877</u>
USE OF MONEY & PROPERTY					
Investment Income	848,615	567,977	280,638	66.9%	783,782
Rents & Concessions	421,535	333,820	87,715	79.2%	302,810
<i>Total</i>	<u>1,270,150</u>	<u>901,797</u>	<u>368,353</u>	71.0%	<u>1,086,591</u>
INTERGOVERNMENTAL					
Grants	511,559	455,334	56,225	89.0%	344,872
Vehicle License Fees	150,000	216,096	(66,096)	144.1%	175,012
Reimbursements	14,040	8,135	5,905	57.9%	8,684
<i>Total</i>	<u>675,599</u>	<u>679,565</u>	<u>(3,966)</u>	100.6%	<u>528,568</u>
FEES & SERVICE CHARGES					
Finance	858,930	637,547	221,383	74.2%	621,878
Community Development	4,452,856	3,559,603	893,253	79.9%	3,374,558
Recreation	2,358,031	1,421,732	936,299	60.3%	1,368,678
Public Safety	476,348	335,656	140,692	70.5%	328,665
Public Works	5,219,373	3,697,659	1,521,714	70.8%	3,779,052
Library	779,643	732,883	46,760	94.0%	739,092
Reimbursements	5,856,688	4,128,347	1,728,341	70.5%	4,113,639
<i>Total</i>	<u>20,001,869</u>	<u>14,513,427</u>	<u>5,488,442</u>	72.6%	<u>14,325,563</u>
OTHER MISCELLANEOUS REVENUES					
Miscellaneous	1,475,938	1,381,595	94,343	93.6%	1,334,955
Indirect Allocations	6,520,510	4,890,383	1,630,127	75.0%	5,455,329
Operating Transfers-In	3,064,213	789,298	2,274,915	25.8%	1,152,570
<i>Total</i>	<u>11,060,661</u>	<u>7,061,276</u>	<u>3,999,385</u>	63.8%	<u>7,942,854</u>
TOTAL REVENUES	<u>99,604,807</u>	<u>69,728,798</u>	<u>29,876,009</u>	70.0%	<u>68,795,042</u>

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For the Nine Months Ended March 31, 2011 (75% of Fiscal Year)

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>** Remaining Balance</u>	<u>YTD Expended and Encumbered</u>	<u>Previous YTD</u>
GENERAL GOVERNMENT						
<u>Mayor & City Council</u>						
MAYOR	686,819	521,907	1,262	163,650	76.2%	
<i>Total</i>	<u>686,819</u>	<u>521,907</u>	<u>1,262</u>	<u>163,650</u>	76.2%	<u>514,571</u>
<u>City Attorney</u>						
CITY ATTORNEY	1,867,900	1,491,629	-	376,271	79.9%	
<i>Total</i>	<u>1,867,900</u>	<u>1,491,629</u>	<u>-</u>	<u>376,271</u>	79.9%	<u>1,499,087</u>
<u>Administration</u>						
CITY ADMINISTRATOR	1,289,339	973,235	1,262	314,842	75.6%	
LABOR RELATIONS	110,649	75,146	-	35,503	67.9%	
CITY TV	449,365	276,968	40,487	131,909	70.6%	
<i>Total</i>	<u>1,849,353</u>	<u>1,325,350</u>	<u>41,749</u>	<u>482,254</u>	73.9%	<u>1,309,188</u>
<u>Administrative Services</u>						
CITY CLERK	453,472	320,126	12,994	120,352	73.5%	
HUMAN RESOURCES	1,072,931	760,759	9,763	302,409	71.8%	
ADMIN SVCS-EMPLOYEE DEVELOPMENT	135,367	89,264	-	46,103	65.9%	
<i>Total</i>	<u>1,661,770</u>	<u>1,170,150</u>	<u>22,756</u>	<u>468,864</u>	71.8%	<u>1,479,895</u>
<u>Finance</u>						
ADMINISTRATION	225,246	180,014	7,495	37,736	83.2%	
TREASURY	442,107	306,511	1,700	133,896	69.7%	
CASHIERING & COLLECTION	419,606	320,534	-	99,072	76.4%	
LICENSES & PERMITS	383,444	280,886	-	102,558	73.3%	
BUDGET MANAGEMENT	376,809	294,641	-	82,168	78.2%	
ACCOUNTING	389,626	293,365	26,554	69,706	82.1%	
PAYROLL	266,456	197,279	-	69,177	74.0%	
ACCOUNTS PAYABLE	207,691	154,814	-	52,877	74.5%	
CITY BILLING & CUSTOMER SERVICE	575,806	407,677	-	168,129	70.8%	
PURCHASING	657,198	479,466	1,225	176,507	73.1%	
CENTRAL STORES	158,284	115,982	376	41,926	73.5%	
MAIL SERVICES	86,794	66,177	181	20,436	76.5%	
<i>Total</i>	<u>4,189,067</u>	<u>3,097,346</u>	<u>37,532</u>	<u>1,054,189</u>	74.8%	<u>3,293,142</u>
TOTAL GENERAL GOVERNMENT	<u>10,254,909</u>	<u>7,606,382</u>	<u>103,300</u>	<u>2,545,227</u>	75.2%	<u>8,095,884</u>
PUBLIC SAFETY						
<u>Police</u>						
CHIEF'S STAFF	1,157,059	890,512	-	266,547	77.0%	
SUPPORT SERVICES	568,188	428,058	444	139,686	75.4%	
RECORDS	1,272,453	949,064	10,194	313,195	75.4%	
COMMUNITY SVCS	904,269	701,065	911	202,292	77.6%	
CRIME ANALYSIS	7,067	5,300	-	1,767	75.0%	
PROPERTY ROOM	125,865	97,768	820	27,277	78.3%	

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For the Nine Months Ended March 31, 2011 (75% of Fiscal Year)

	Annual Budget	YTD Actual	Encum- brances	** Remaining Balance	YTD Expended and Encumbered	Previous YTD
PUBLIC SAFETY						
<u>Police</u>						
TRNG/RECRUITMENT	452,567	425,654	10,424	16,489	96.4%	
RANGE	1,023,098	828,697	12,109	182,292	82.2%	
BEAT COORDINATORS	479,676	436,135	-	43,541	90.9%	
INFORMATION TECHNOLOGY	1,112,749	823,200	78,629	210,920	81.0%	
INVESTIGATIVE DIVISION	4,334,087	3,277,029	2,205	1,054,853	75.7%	
CRIME LAB	213,712	100,970	1,388	111,354	47.9%	
PATROL DIVISION	13,162,085	10,153,039	91,019	2,918,027	77.8%	
TRAFFIC	1,288,565	886,525	1,304	400,736	68.9%	
SPECIAL EVENTS	972,017	998,252	-	(26,235)	102.7%	
TACTICAL PATROL FORCE	1,114,467	880,410	-	234,057	79.0%	
STREET SWEEPING ENFORCEMENT	278,644	220,412	-	58,232	79.1%	
NIGHT LIFE ENFORCEMENT	325,787	202,845	-	122,942	62.3%	
PARKING ENFORCEMENT	1,000,147	672,561	22,035	305,550	69.4%	
CCC	2,292,999	1,563,840	1,971	727,188	68.3%	
ANIMAL CONTROL	542,378	451,548	1,127	89,703	83.5%	
<i>Total</i>	<u>32,627,878</u>	<u>24,992,886</u>	<u>234,580</u>	<u>7,400,412</u>	77.3%	<u>23,512,151</u>
<u>Fire</u>						
ADMINISTRATION	816,405	606,866	2,832	206,707	74.7%	
EMERGENCY SERVICES AND PUBLIC ED	210,178	136,069	-	74,109	64.7%	
PREVENTION	1,166,561	807,594	475	358,493	69.3%	
WILDLAND FIRE MITIGATION PROGRAM	173,996	122,314	22,072	29,610	83.0%	
OPERATIONS	16,292,037	13,127,170	39,052	3,125,815	80.8%	
ARFF	1,637,120	1,436,152	-	200,968	87.7%	
<i>Total</i>	<u>20,296,297</u>	<u>16,236,164</u>	<u>64,431</u>	<u>3,995,702</u>	80.3%	<u>14,956,907</u>
TOTAL PUBLIC SAFETY	<u>52,924,175</u>	<u>41,229,050</u>	<u>299,011</u>	<u>11,396,114</u>	78.5%	<u>38,469,058</u>
PUBLIC WORKS						
<u>Public Works</u>						
ADMINISTRATION	872,992	584,472	23,237	265,283	69.6%	
ENGINEERING SVCS	4,353,334	3,276,875	3,602	1,072,858	75.4%	
PUBLIC RT OF WAY MGMT	983,568	738,567	4,628	240,373	75.6%	
ENVIRONMENTAL PROGRAMS	361,153	183,495	57,639	120,019	66.8%	
<i>Total</i>	<u>6,571,047</u>	<u>4,783,440</u>	<u>89,106</u>	<u>1,698,501</u>	74.2%	<u>4,475,255</u>
TOTAL PUBLIC WORKS	<u>6,571,047</u>	<u>4,783,440</u>	<u>89,106</u>	<u>1,698,501</u>	74.2%	<u>4,475,255</u>
COMMUNITY SERVICES						
<u>Parks & Recreation</u>						
PRGM MGMT & BUS SVCS	476,287	352,493	-	123,794	74.0%	
FACILITIES	354,519	268,908	14,576	71,035	80.0%	
CULTURAL ARTS	420,422	298,508	5,739	116,175	72.4%	

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For the Nine Months Ended March 31, 2011 (75% of Fiscal Year)

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>** Remaining Balance</u>	<u>YTD Expended and Encumbered</u>	<u>Previous YTD</u>
COMMUNITY SERVICES						
<u>Parks & Recreation</u>						
YOUTH ACTIVITIES	733,831	511,120	6,188	216,523	70.5%	
SR CITIZENS	653,938	448,439	444	205,055	68.6%	
AQUATICS	1,042,852	799,442	31,218	212,192	79.7%	
SPORTS	495,345	321,816	10,486	163,043	67.1%	
TENNIS	258,175	152,845	-	105,330	59.2%	
NEIGHBORHOOD & OUTREACH SERV	989,941	747,006	3,202	239,734	75.8%	
ADMINISTRATION	520,544	393,945	-	126,599	75.7%	
PROJECT MANAGEMENT TEAM	223,659	167,297	11,436	44,926	79.9%	
BUSINESS SERVICES	302,136	185,669	12,636	103,831	65.6%	
FACILITY & PROJECT MGT	951,580	722,136	620	228,824	76.0%	
GROUNDS MANAGEMENT	4,134,610	2,911,767	111,861	1,110,982	73.1%	
FORESTRY	1,163,333	735,273	148,740	279,320	76.0%	
BEACH MAINTENANCE	164,643	105,821	8,910	49,912	69.7%	
<i>Total</i>	<u>12,885,815</u>	<u>9,122,484</u>	<u>366,055</u>	<u>3,397,276</u>	73.6%	<u>9,413,663</u>
<u>Library</u>						
ADMINISTRATION	399,732	272,762	-	126,970	68.2%	
PUBLIC SERVICES	1,997,383	1,446,065	3,950	547,368	72.6%	
SUPPORT SERVICES	1,861,824	1,063,324	7,297	791,204	57.5%	
<i>Total</i>	<u>4,258,939</u>	<u>2,782,150</u>	<u>11,247</u>	<u>1,465,542</u>	65.6%	<u>2,912,760</u>
TOTAL COMMUNITY SERVICES	<u>17,144,754</u>	<u>11,904,634</u>	<u>377,302</u>	<u>4,862,818</u>	71.6%	<u>12,326,423</u>
COMMUNITY DEVELOPMENT						
<u>Community Development</u>						
ADMINISTRATION	427,609	308,347	1,866	117,396	72.5%	
ECON DEV	52,296	33,589	-	18,707	64.2%	
CITY ARTS ADVISORY PROGRAM	427,260	427,260	-	-	100.0%	
HUMAN SVCS	819,851	590,748	-	229,103	72.1%	
RDA	685,691	490,107	-	195,584	71.5%	
RDA HSG DEV	642,855	450,915	-	191,940	70.1%	
LR PLANNING/STUDIES	716,236	546,790	1,151	168,295	76.5%	
DEV & DESIGN REVIEW	952,017	666,224	13,635	272,158	71.4%	
ZONING	809,341	595,491	2,335	211,515	73.9%	
DESIGN REV & HIST PRESERVATN	886,555	580,560	21,101	284,894	67.9%	
SHO/ENVIRON REVIEW/TRAINING	737,535	557,216	2,826	177,493	75.9%	
BLDG PERMITS	1,027,134	772,778	7,725	246,630	76.0%	
RECORDS & ARCHIVES	523,630	363,778	10,371	149,480	71.5%	
PLAN CK & COUNTER SRV	1,252,403	884,589	8,660	359,155	71.3%	
<i>Total</i>	<u>9,960,413</u>	<u>7,268,394</u>	<u>69,670</u>	<u>2,622,349</u>	73.7%	<u>7,184,963</u>
TOTAL COMMUNITY DEVELOPMENT	<u>9,960,413</u>	<u>7,268,394</u>	<u>69,670</u>	<u>2,622,349</u>	73.7%	<u>7,184,963</u>

CITY OF SANTA BARBARA
General Fund
Interim Statement of Appropriations, Expenditures and Encumbrances
For the Nine Months Ended March 31, 2011 (75% of Fiscal Year)

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>** Remaining Balance</u>	<u>YTD Expended and Encumbered</u>	<u>Previous YTD</u>
NON-DEPARTMENTAL						
<u>Non-Departmental</u>						
DUES, MEMBERSHIPS, & LICENSES	22,272	23,865	-	(1,593)	107.2%	
COMMUNITY PROMOTIONS	1,537,890	1,245,800	-	292,090	81.0%	
SPECIAL PROJECTS	359,264	224,550	-	134,714	62.5%	
TRANSFERS OUT	43,500	32,625	-	10,875	75.0%	
DEBT SERVICE TRANSFERS	350,445	321,340	-	29,105	91.7%	
CAPITAL OUTLAY TRANSFER	508,170	381,128	-	127,043	75.0%	
APPROP. RESERVE	942,979	-	-	942,979	0.0%	
<i>Total</i>	<u>3,764,520</u>	<u>2,229,308</u>	<u>-</u>	<u>1,535,212</u>	59.2%	<u>1,816,141</u>
TOTAL NON-DEPARTMENTAL	<u>3,764,520</u>	<u>2,229,308</u>	<u>-</u>	<u>1,535,212</u>	59.2%	<u>1,816,141</u>
 TOTAL EXPENDITURES	 <u>100,619,818</u>	 <u>75,021,208</u>	 <u>938,389</u>	 <u>24,660,222</u>	 75.5%	 <u>72,367,724</u>

*** The legal level of budgetary control is at the department level for the General Fund. Therefore, as long as the department as a whole is within budget, budgetary compliance has been achieved. The City actively monitors the budget status of each department and takes measures to address potential over budget situations before they occur.*

For Enterprise and Internal Service Funds, the legal level of budgetary control is at the fund level. The City also monitors and addresses these fund types for potential over budget situations.

CITY OF SANTA BARBARA
Special Revenue Funds
Interim Statement of Revenues and Expenditures
For the Nine Months Ended March 31, 2011 (75% of Fiscal Year)

	Annual Budget	YTD Actual	Encum- brances	Remaining Balance	Percent of Budget
TRAFFIC SAFETY FUND					
Revenue	470,000	326,205	-	143,795	69.4%
Expenditures	470,000	326,205	-	143,795	69.4%
<i>Revenue Less Expenditures</i>	-	-	-	-	
CREEK RESTORATION/WATER QUALITY IMPRVMT					
Revenue	2,407,300	2,014,928	-	392,372	83.7%
Expenditures	4,163,728	2,617,121	281,269	1,265,338	69.6%
<i>Revenue Less Expenditures</i>	(1,756,428)	(602,194)	(281,269)	(872,966)	
SOLID WASTE PROGRAM					
Revenue	17,512,032	12,629,554	-	4,882,478	72.1%
Expenditures	19,316,716	13,395,842	971,703	4,949,172	74.4%
<i>Revenue Less Expenditures</i>	(1,804,684)	(766,288)	(971,703)	(66,694)	
COMM.DEVELOPMENT BLOCK GRANT					
Revenue	2,003,480	1,412,880	-	590,599	70.5%
Expenditures	2,003,480	645,226	281,633	1,076,621	46.3%
<i>Revenue Less Expenditures</i>	-	767,654	(281,633)	(486,022)	
COUNTY LIBRARY					
Revenue	1,752,519	1,125,932	-	626,587	64.2%
Expenditures	1,863,394	1,288,140	43,516	531,738	71.5%
<i>Revenue Less Expenditures</i>	(110,875)	(162,208)	(43,516)	94,849	
STREETS FUND					
Revenue	9,926,670	6,930,489	-	2,996,181	69.8%
Expenditures	13,933,618	6,919,633	1,343,002	5,670,983	59.3%
<i>Revenue Less Expenditures</i>	(4,006,948)	10,856	(1,343,002)	(2,674,803)	
MEASURE A					
Revenue	2,882,759	2,051,439	-	831,320	71.2%
Expenditures	2,882,759	1,627,994	541,531	713,233	75.3%
<i>Revenue Less Expenditures</i>	-	423,444	(541,531)	118,087	

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Nine Months Ended March 31, 2011 (75% of Fiscal Year)

WATER OPERATING FUND

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
	-	15,006	-	(15,006)	100.0%	-
Water Sales - Metered	30,350,000	20,858,216	-	9,491,784	68.7%	21,141,445
Service Charges	395,000	642,113	-	(247,113)	162.6%	374,937
Cater JPA Treatment Charges	2,272,520	2,326,679	-	(54,159)	102.4%	2,632,737
Licenses & Permits	-	-	-	-	100.0%	-
Investment Income	860,900	740,775	-	120,125	86.0%	887,001
Grants	-	-	-	-	100.0%	24,243
Reimbursements	-	-	-	-	100.0%	-
Miscellaneous	754,266	505,859	-	248,407	67.1%	971,392
TOTAL REVENUES	<u>34,632,686</u>	<u>25,088,648</u>	<u>-</u>	<u>9,544,038</u>	<u>72.4%</u>	<u>26,031,756</u>
EXPENSES						
Salaries & Benefits	7,617,220	5,413,321	-	2,203,899	71.1%	5,147,240
Materials, Supplies & Services	10,173,513	5,341,935	1,975,258	2,856,320	71.9%	5,676,944
Special Projects	737,378	167,276	76,844	493,258	33.1%	81,632
Water Purchases	8,177,644	5,036,484	409,238	2,731,922	66.6%	5,442,512
Debt Service	5,088,853	3,548,408	-	1,540,445	69.7%	3,211,818
Capital Outlay Transfers	3,349,702	2,512,276	-	837,426	75.0%	3,976,869
Equipment	177,227	61,338	4,380	111,509	37.1%	78,114
Capitalized Fixed Assets	191,932	6,285	68,634	117,013	39.0%	967
Other	43,000	20,750	-	22,250	48.3%	21,299
Appropriated Reserve	113,242	-	-	113,242	0.0%	-
TOTAL EXPENSES	<u>35,669,711</u>	<u>22,108,075</u>	<u>2,534,354</u>	<u>11,027,282</u>	<u>69.1%</u>	<u>23,637,395</u>

NOTE - These figures reflect the operating fund only. Though the capital fund is excluded, the current year contribution from the operating fund is shown in the Capital Transfers.

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Nine Months Ended March 31, 2011 (75% of Fiscal Year)

WASTEWATER OPERATING FUND

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
	-	15,006	-	(15,006)	100.0%	-
Service Charges	14,200,000	10,394,696	-	3,805,304	73.2%	10,192,979
Fees	452,911	710,806	-	(257,895)	156.9%	518,210
Investment Income	296,100	221,586	-	74,514	74.8%	304,289
Public Works	11,400	30,377	-	(18,977)	266.5%	4,548
Miscellaneous	25,000	75,078	-	(50,078)	300.3%	21,700
TOTAL REVENUES	<u>14,985,411</u>	<u>11,447,550</u>	<u>-</u>	<u>3,537,861</u>	<u>76.4%</u>	<u>11,041,726</u>
EXPENSES						
Salaries & Benefits	5,178,153	3,714,492	-	1,463,661	71.7%	3,449,843
Materials, Supplies & Services	5,812,865	3,879,643	1,142,366	790,857	86.4%	3,579,824
Special Projects	180,000	158,158	-	21,842	87.9%	568,024
Transfers-Out	-	-	-	-	100.0%	48,750
Debt Service	1,352,038	334,388	-	1,017,650	24.7%	343,983
Capital Outlay Transfers	6,295,500	4,721,625	-	1,573,875	75.0%	2,120,391
Equipment	54,428	25,472	6,836	22,121	59.4%	18,678
Capitalized Fixed Assets	97,261	58,050	2,750	36,461	62.5%	967
Appropriated Reserve	96,100	-	-	96,100	0.0%	-
TOTAL EXPENSES	<u>19,066,345</u>	<u>12,891,828</u>	<u>1,151,951</u>	<u>5,022,566</u>	<u>73.7%</u>	<u>10,130,460</u>

NOTE - These figures reflect the operating fund only. Though the capital fund is excluded, the current year contribution from the operating fund is shown in the Capital Transfers.

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Nine Months Ended March 31, 2011 (75% of Fiscal Year)
DOWNTOWN PARKING

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Improvement Tax	840,000	661,577	-	178,423	78.8%	617,656
Parking Fees	5,606,000	4,187,278	-	1,418,722	74.7%	4,220,429
Investment Income	154,700	114,037	-	40,663	73.7%	158,933
Rents & Concessions	23,740	23,740	-	-	100.0%	23,740
Reimbursements	20,000	4,598	-	15,402	23.0%	13,004
Miscellaneous	1,500	12,198	-	(10,698)	813.2%	1,937
Operating Transfers-In	43,500	32,625	-	10,875	75.0%	43,500
TOTAL REVENUES	<u>6,689,440</u>	<u>5,036,053</u>	<u>-</u>	<u>1,653,387</u>	<u>75.3%</u>	<u>5,079,199</u>
EXPENSES						
Salaries & Benefits	3,847,242	2,765,557	-	1,081,685	71.9%	2,617,678
Materials, Supplies & Services	1,807,229	1,078,923	134,612	593,695	67.1%	1,162,567
Special Projects	730,482	99,640	631,842	(1,000)	100.1%	458,943
Transfers-Out	312,621	234,466	-	78,155	75.0%	234,466
Capital Outlay Transfers	660,000	495,000	-	165,000	75.0%	944,070
Equipment	25,000	7,142	7,025	10,833	56.7%	169
Capitalized Fixed Assets	-	-	-	-	100.0%	1,890
Appropriated Reserve	8,709	-	-	8,709	0.0%	-
TOTAL EXPENSES	<u>7,391,283</u>	<u>4,680,728</u>	<u>773,478</u>	<u>1,937,077</u>	<u>73.8%</u>	<u>5,419,782</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Nine Months Ended March 31, 2011 (75% of Fiscal Year)
AIRPORT OPERATING FUND

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Leases - Commercial / Industrial	3,977,000	3,239,068	-	737,932	81.4%	3,120,723
Leases - Terminal	4,927,950	3,725,524	-	1,202,426	75.6%	3,521,348
Leases - Non-Commerical Aviation	1,095,875	1,126,949	-	(31,074)	102.8%	850,395
Leases - Commerical Aviation	2,637,000	1,733,919	-	903,081	65.8%	1,622,031
Investment Income	231,100	177,421	-	53,679	76.8%	235,973
Miscellaneous	196,552	94,362	-	102,190	48.0%	141,486
TOTAL REVENUES	<u>13,065,477</u>	<u>10,097,243</u>	<u>-</u>	<u>2,968,234</u>	<u>77.3%</u>	<u>9,491,955</u>
EXPENSES						
Salaries & Benefits	4,913,183	3,568,852	-	1,344,331	72.6%	3,374,742
Materials, Supplies & Services	6,432,710	4,375,900	456,880	1,599,930	75.1%	4,331,906
Special Projects	912,307	416,501	-	495,806	45.7%	355,166
Transfers-Out	31,049	23,287	-	7,762	75.0%	-
Capital Outlay Transfers	550,000	412,500	-	137,500	75.0%	488,302
Equipment	24,610	15,737	5,036	3,836	84.4%	21,287
Capitalized Fixed Assets	-	-	-	-	100.0%	(5,055)
Appropriated Reserve	270,273	-	-	270,273	0.0%	-
TOTAL EXPENSES	<u>13,134,132</u>	<u>8,812,777</u>	<u>461,916</u>	<u>3,859,439</u>	<u>70.6%</u>	<u>8,566,347</u>

NOTE - These figures reflect the operating fund only. Though the capital fund is excluded, the current year contribution from the operating fund is shown in the Capital Transfers.

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Nine Months Ended March 31, 2011 (75% of Fiscal Year)

GOLF COURSE FUND

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Fees & Card Sales	1,725,172	1,093,851	-	631,321	63.4%	987,336
Investment Income	20,200	9,797	-	10,403	48.5%	25,199
Rents & Concessions	300,322	218,036	-	82,286	72.6%	200,832
Miscellaneous	3,500	4,435	-	(935)	126.7%	254,731
TOTAL REVENUES	<u>2,049,194</u>	<u>1,326,119</u>	<u>-</u>	<u>723,075</u>	<u>64.7%</u>	<u>1,468,098</u>
EXPENSES						
Salaries & Benefits	1,095,646	837,636	-	258,010	76.5%	820,793
Materials, Supplies & Services	611,462	377,821	81,578	152,062	75.1%	378,168
Special Projects	14,524	300	9,524	4,700	67.6%	976
Transfers-Out	-	-	-	-	100.0%	507,767
Debt Service	213,407	180,532	-	32,875	84.6%	182,141
Capital Outlay Transfers	70,000	52,500	-	17,500	75.0%	415
Equipment	3,500	2,597	-	903	74.2%	2,501
Appropriated Reserve	52,272	-	-	52,272	0.0%	-
TOTAL EXPENSES	<u>2,060,811</u>	<u>1,451,386</u>	<u>91,102</u>	<u>518,322</u>	<u>74.8%</u>	<u>1,892,761</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Nine Months Ended March 31, 2011 (75% of Fiscal Year)

INTRA-CITY SERVICE FUND

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Work Orders - Bldg Maint.	3,598,018	2,351,538	-	1,246,480	65.4%	2,478,570
Grants	742,970	125,499	-	617,472	16.9%	818,200
Service Charges	1,742,565	1,299,424	-	443,141	74.6%	1,231,111
Miscellaneous	-	283	-	(283)	100.0%	2,034
Operating Transfers-In	-	-	-	-	100.0%	48,750
TOTAL REVENUES	<u>6,083,553</u>	<u>3,776,743</u>	<u>-</u>	<u>2,306,810</u>	<u>62.1%</u>	<u>4,578,665</u>
EXPENSES						
Salaries & Benefits	2,858,723	2,110,471	-	748,252	73.8%	2,138,680
Materials, Supplies & Services	1,109,096	714,118	94,940	300,038	72.9%	664,019
Special Projects	2,010,520	569,482	408,568	1,032,471	48.6%	764,449
Capital Outlay Transfers	-	-	-	-	100.0%	65,622
Equipment	23,000	10,290	-	12,710	44.7%	522
Capitalized Fixed Assets	780,560	138,729	490,280	151,550	80.6%	781,676
TOTAL EXPENSES	<u>6,781,899</u>	<u>3,543,091</u>	<u>993,788</u>	<u>2,245,021</u>	<u>66.9%</u>	<u>4,414,968</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Nine Months Ended March 31, 2011 (75% of Fiscal Year)

FLEET REPLACEMENT FUND

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Vehicle Rental Charges	1,791,427	1,343,570	-	447,857	75.0%	1,007,265
Investment Income	153,300	123,370	-	29,930	80.5%	158,013
Rents & Concessions	232,341	174,256	-	58,085	75.0%	182,136
Miscellaneous	50,000	46,289	-	3,711	92.6%	90,568
TOTAL REVENUES	<u>2,227,068</u>	<u>1,687,485</u>	<u>-</u>	<u>539,583</u>	<u>75.8%</u>	<u>1,437,981</u>
EXPENSES						
Salaries & Benefits	150,983	115,428	-	35,555	76.5%	109,247
Materials, Supplies & Services	993	1,420	-	(427)	143.0%	1,590
Capitalized Fixed Assets	4,479,566	1,746,918	315,958	2,416,690	46.1%	726,782
TOTAL EXPENSES	<u>4,631,542</u>	<u>1,863,765</u>	<u>315,958</u>	<u>2,451,819</u>	<u>47.1%</u>	<u>837,619</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Nine Months Ended March 31, 2011 (75% of Fiscal Year)

FLEET MAINTENANCE FUND

	Annual Budget	YTD Actual	Encum- brances	Remaining Balance	Percent of Budget	Previous YTD
REVENUES						
Vehicle Maintenance Charges	2,369,418	1,777,063	-	592,355	75.0%	1,860,178
Miscellaneous	60,000	7,520	-	52,480	12.5%	-
TOTAL REVENUES	2,429,418	1,784,583	-	644,835	73.5%	1,860,178
EXPENSES						
Salaries & Benefits	1,141,256	865,041	-	276,215	75.8%	824,592
Materials, Supplies & Services	1,255,238	797,502	152,197	305,539	75.7%	688,763
Special Projects	87,279	28,162	2,339	56,778	34.9%	19,777
Equipment	2,200	1,653	547	-	100.0%	-
TOTAL EXPENSES	2,485,972	1,692,358	155,082	638,532	74.3%	1,533,132

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Nine Months Ended March 31, 2011 (75% of Fiscal Year)
SELF INSURANCE TRUST FUND

	** Annual Budget	YTD Actual	Encum- brances	Remaining Balance	Percent of Budget	Previous YTD
REVENUES						
Insurance Premiums	2,583,750	1,938,671	-	645,079	75.0%	2,212,960
Workers' Compensation Premiums	2,643,581	1,982,686	-	660,895	75.0%	1,862,196
OSH Charges	277,322	-	-	277,322	0.0%	226,888
Investment Income	189,900	134,856	-	55,044	71.0%	207,534
Community Development	-	316	-	(316)	100.0%	-
Miscellaneous	-	46,409	-	(46,409)	100.0%	12,636
TOTAL REVENUES	5,694,553	4,102,938	-	1,591,615	72.1%	4,522,214
EXPENSES						
Salaries & Benefits	523,458	297,899	-	225,559	56.9%	368,825
Materials, Supplies & Services	4,928,992	3,659,662	346,826	922,505	81.3%	3,258,441
Special Projects	-	100	-	(100)	100.0%	-
Transfers-Out	717,988	717,988	-	-	100.0%	300,000
Capital Outlay Transfers	-	-	-	-	100.0%	829
Appropriated Reserve	23,671	-	-	23,671	0.0%	-
TOTAL EXPENSES	6,194,109	4,675,649	346,826	1,171,634	81.1%	3,928,094

*** The Self Insurance Trust Fund is an internal service fund of the City, which accounts for the cost of providing workers' compensation, property and liability insurance as well as unemployment insurance and certain self-insured employee benefits on a city-wide basis. Internal Service Funds charge other funds for the cost of providing their specific services.*

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Nine Months Ended March 31, 2011 (75% of Fiscal Year)

INFORMATION SYSTEMS ICS FUND

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Service charges	2,302,393	1,718,688	-	583,705	74.6%	1,834,388
Miscellaneous	-	-	-	-	100.0%	226
Operating Transfers-In	37,200	37,200	-	-	100.0%	-
TOTAL REVENUES	<u>2,339,593</u>	<u>1,755,888</u>	<u>-</u>	<u>583,705</u>	<u>75.1%</u>	<u>1,834,614</u>
EXPENSES						
Salaries & Benefits	1,487,770	1,136,857	-	350,913	76.4%	1,062,959
Materials, Supplies & Services	549,179	401,675	43,171	104,333	81.0%	431,315
Special Projects	1,700	4,049	10,082	(12,431)	831.2%	2,725
Equipment	249,213	159,673	12,036	77,504	68.9%	227,253
Appropriated Reserve	56,839	-	-	56,839	0.0%	-
TOTAL EXPENSES	<u>2,344,701</u>	<u>1,702,255</u>	<u>65,288</u>	<u>577,157</u>	<u>75.4%</u>	<u>1,724,252</u>

CITY OF SANTA BARBARA
Interim Statement of Revenues and Expenses
For the Nine Months Ended March 31, 2011 (75% of Fiscal Year)

WATERFRONT FUND

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>	<u>Previous YTD</u>
REVENUES						
Leases - Commercial	1,372,773	1,016,501	-	356,272	74.0%	1,053,900
Leases - Food Service	2,173,351	1,768,181	-	405,170	81.4%	1,733,261
Slip Rental Fees	3,864,398	2,889,338	-	975,060	74.8%	2,750,930
Visitors Fees	555,894	336,147	-	219,747	60.5%	410,386
Slip Transfer Fees	621,957	336,975	-	284,982	54.2%	362,275
Parking Revenue	1,912,769	1,330,974	-	581,795	69.6%	1,414,579
Wharf Parking	244,477	162,694	-	81,783	66.5%	176,095
Other Fees & Charges	361,252	280,267	-	80,985	77.6%	275,200
Investment Income	215,759	167,136	-	48,623	77.5%	218,356
Rents & Concessions	299,504	250,913	-	48,591	83.8%	209,880
Grants	12,190	4,256	-	7,934	34.9%	-
Miscellaneous	128,650	98,666	-	29,984	76.7%	120,466
TOTAL REVENUES	<u>11,762,974</u>	<u>8,642,049</u>	<u>-</u>	<u>3,120,925</u>	<u>73.5%</u>	<u>8,725,329</u>
EXPENSES						
Salaries & Benefits	5,480,825	4,146,133	-	1,334,692	75.6%	3,889,242
Materials, Supplies & Services	3,405,267	2,289,294	492,955	623,018	81.7%	2,355,065
Special Projects	147,074	80,122	22,500	44,452	69.8%	82,037
Debt Service	1,665,997	1,042,388	-	623,609	62.6%	1,109,556
Capital Outlay Transfers	969,361	727,021	-	242,340	75.0%	848,536
Equipment	81,909	23,805	32,632	25,472	68.9%	14,642
Appropriated Reserve	100,000	-	-	100,000	0.0%	-
TOTAL EXPENSES	<u>11,850,433</u>	<u>8,308,763</u>	<u>548,087</u>	<u>2,993,584</u>	<u>74.7%</u>	<u>8,299,078</u>

NOTE - These figures reflect the operating fund only. Though the capital fund is excluded, the current year contribution from the operating fund is shown in the Capital Transfers.

***Fiscal Year 2011 Interim Financial Statements
For the Nine Months Ended March 31, 2011 (75% of Year Elapsed)***

General Fund Revenues

The table below summarizes General Fund revenues for the nine months ended March 31, 2011. For interim financial statement purposes, revenues are reported on the cash basis (i.e. when the funds are received). The table below includes the budgeted totals as well as the year-to-date (YTD) budget, which for tax revenues and franchise fees has been seasonally adjusted based on a 3-year average of collections through the same period. Because tax revenues are not collected evenly throughout the year, adjusting the year-to-date budget to reflect the unique collection pattern of each type of tax revenue enables a more meaningful comparison to year-to-date results as shown in the Year-to-Date Actual column. For all other revenues, the Year-to-Date Budget column represents 75% (9 months out of the 12 elapsed) of the annual budget column. Unlike tax revenues, these revenues tend to be collected more evenly during the year.

<p style="text-align: center;">Summary of Revenues For the Nine Months Ended March 31, 2011 GENERAL FUND</p>								
	Current Year Analysis						Prior Year Analysis	
	Annual Budget	YTD Budget *	YTD Actual	YTD Variance	YTD Percent Rec'd	3-Year Average Bench-mark	Prior Year YTD Actual	Variance Prior Yr To Current Yr
Sales & Use Tax	\$ 16,714,359	\$ 11,984,195	\$ 12,277,728	\$ 293,533	73.46%	71.70%	\$ 11,389,142	7.8%
Property Tax	22,790,000	12,648,450	12,726,570	78,120	55.84%	55.50%	12,817,377	-0.7%
UUT	7,040,000	5,251,840	5,243,082	(8,758)	74.48%	74.60%	5,202,549	0.8%
TOT	11,157,000	8,613,204	9,348,110	734,906	83.79%	77.20%	8,560,351	9.2%
Bus License	2,168,000	1,725,728	1,747,967	22,239	80.63%	79.60%	1,742,246	0.3%
Prop Trans Tax	358,100	282,899	286,103	3,204	79.89%	79.00%	270,612	5.7%
Total Taxes	60,227,459	40,506,316	41,629,560	1,123,244	69.12%	67.26%	39,982,277	4.1%
License & Permits	194,000	145,500	145,420	(80)	74.96%	75.00%	135,840	7.1%
Fines & Forfeitures	2,909,069	2,181,802	2,227,696	45,894	76.58%	75.00%	2,126,877	4.7%
Franchise Fee	3,266,000	2,465,830	2,570,057	104,227	78.69%	75.50%	2,666,473	-3.6%
Use of Money & Property	1,270,150	952,613	901,797	(50,816)	71.00%	75.00%	1,086,591	-17.0%
Intergovernmental	675,599	506,699	679,565	172,866	100.59%	75.00%	528,568	28.6%
Fee & Charges	20,001,869	15,001,402	14,513,427	(487,975)	72.56%	75.00%	14,325,563	1.3%
Miscellaneous	9,812,232	7,359,174	7,061,276	(297,898)	71.96%	75.00%	7,942,854	-11.1%
Total Other	38,128,919	28,613,019	28,099,238	(513,781)	73.70%		28,812,766	-2.5%
Total Before Budgeted Variances	98,356,378	69,119,336	69,728,798	609,462			68,795,043	
Anticipated Year-End Var	1,248,429	936,322	-	(936,322)	0.00%	75.00%	-	0.0%
Total Revenues	\$ 99,604,807	\$ 70,055,657	\$ 69,728,798	\$ (326,859)	70.01%	70.33%	\$ 68,795,043	1.4%

* YTD Budget for Taxes is calculated based on a 3-year average of collections for each revenue source; for all other revenues, YTD Budget is calculated on a straight-line basis based on the number of months elapsed.

As seen in the table above, total revenues were approximately \$327,000 under the YTD budget through March 31; however, the variance in total revenue collection before budgeted variances was a \$609,000 positive variance. Tax revenues were \$1.1 million above the YTD budget but

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other revenues were approximately \$514,000 under budget.

The local economy has shown signs of slow recovery and General Fund revenue collection was 1.4% above that for the first nine months of the prior year. Cash receipts of all tax revenues exceeded the prior year amounts by \$1.6 million (4.1%) and were almost 1.9% ahead of the YTD budget for the first 9 months of this fiscal year. All tax revenues, except Utility Users Tax (UUT), are ahead of the 3-year average collection rate at March 31. However, it is important to note that, although revenues have been increasing, they are still well below the “pre-recession” levels and will require several years of continued growth to get back to the revenue totals for fiscal year 2008. Key revenues and significant variances are discussed below.

Sales and Use Taxes

Sales tax revenue collections were almost \$294,000 above the YTD budget. However, while year-to-date collections include three quarters, the revenues received through March 31, 2011 provide information for the growth in sales tax revenues earned for the quarter ended December 31, 2010. These revenues were 7.8% over those from the prior year. Sales tax payments for the quarter ended March 31st will not be received until mid-June but these revenues are slowly improving after two years of declines. At this point, staff is projecting that sales tax revenues will exceed budget by approximately \$666,000 at year-end.

Transient Occupancy Tax

TOT revenue was approximately \$735,000 (6.6%) over the YTD budget at March 31. TOT revenues have continued their strong performance with growth in each of the past 15 months. TOT revenues at March 31, 2011 were 9.2% ahead of revenues for the same period in the prior year. While revenues are expected to continue their growth in the coming months, the rate of growth has slowed and will likely be moderated since they will be building off the second half of the prior year where revenues actually grew. Overall, revenues are expected to exceed the annual budget by approximately \$1.13 million by year-end.

Intergovernmental

The largest component of Intergovernmental revenue is mutual aid received by the Fire Department. These revenues are generated when the Fire Department provides mutual aid assistance to other locations throughout the state. The City is reimbursed for the actual costs of providing assistance, plus an overhead factor to provide the service. The positive variance at March 31 is primarily due to a \$909,000 reduction to budgeted mutual aid revenues that Council approved as part of the mid-year adjustments to reflect the reduced anticipated mutual aid revenues for the remainder of the year.

Fees & Service Charges

Overall, fees and service charges are almost \$488,000 (2.4%) under the YTD budget. The largest negative variances were in Parks & Recreation (\$347,000) Public Works (\$217,000), and Inter-Fund charges (\$264,000), with another \$116,000 negative YTD variance spread across the other departments. The more significant mid-year variances are discussed below.

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Parks & Recreation revenues are \$347,000 (14.7%) below the YTD budget due to declining facility rentals and registrations for classes and programs. Revenues have been impacted by the rainy first half of the year, which impacted field rentals and tennis permit sales. Revenues are projected to end the year approximately \$107,000 under budget. The Department has identified expenditure reductions to offset the majority, if not all, of the shortfall.

Public Works fee revenue was \$219,000 (4.1%) under the YTD budget primarily due to engineering work orders that have not met budget expectations through March 31. Engineering Work orders are primarily charges for services to other funds throughout the City related to capital projects. Lost time due to the furlough, leave of absence, and leave time has limited the available billable hours to use on projects. Staff is projecting that revenues will end the year slightly under budget.

Fees and Service Charges General Fund For the Nine Months Ended March 31, 2011								
Department	Annual Budget	YTD Budget	YTD Actual	Budget Variance	Percent Received YTD	Prior Year YTD	Prior Year Variance	Percent Variance
Finance	\$ 858,930	\$ 644,198	\$ 637,547	\$ (6,651)	74.2%	\$ 621,878	\$ 15,669	2.5%
Community Development	4,452,856	3,339,642	3,559,603	219,961	79.9%	3,374,558	185,045	5.5%
Parks & Recreation	2,358,031	1,768,523	1,421,732	(346,791)	60.3%	1,368,678	53,054	3.9%
Public Safety	476,348	357,261	335,656	(21,605)	70.5%	328,665	6,991	2.1%
Public Works	5,219,373	3,914,530	3,697,659	(216,871)	70.8%	3,779,052	(81,393)	-2.2%
Library	779,643	584,732	732,883	148,151	94.0%	739,092	(6,209)	-0.8%
Inter-Fund Charges	5,856,688	4,392,516	4,128,347	(264,169)	70.5%	4,113,639	14,708	0.4%
Total	<u>\$ 20,001,869</u>	<u>\$ 15,001,402</u>	<u>\$ 14,513,427</u>	<u>\$ (487,975)</u>	<u>72.6%</u>	<u>\$ 14,325,563</u>	<u>\$ 187,864</u>	<u>1.3%</u>

Inter-Fund charges are \$264,000 (4.5%) below the YTD budget through nine months. These are reimbursements from other City funds and departments, and other governments for various services. Approximately \$110,000 of the variance is related to cost reimbursements from the City Redevelopment Agency (RDA). Salary & benefits costs in the RDA are lower than budgeted due primarily to vacancies of key positions. With lower costs incurred to manage RDA operations, reimbursement revenues from the RDA are proportionately lower.

Approximately \$133,000 of the YTD budget variance is due to reimbursement for law enforcement activities. The City administers a police communications network for a Joint Powers Authority (JPA) with various police agencies throughout the state. Operating expenditures for the JPA are billed twice during the year so variances are normal throughout the year. All costs of the JPA will be reimbursed. The police have provided services that are reimbursable through federal and state grants. The reimbursements are received after actual expenditures have been made so they often lag throughout the year. Staff will continue to evaluate and monitor revenues in the next quarter and will report on significant projected year-end shortfalls in the third quarter report.

Anticipated Year-End Variances

It is important to note that the table on page 1 includes a negative \$936,000 in budgeted revenue variances through March 31, 2011 associated with anticipated year-end savings. The Anticipated Year-End Variance is roughly equal to 1.3% of budgeted operating expenditures in

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the General Fund and represents what staff projected in favorable expenditure variances (i.e. expenditures *under* budget) for the year. As is the case each year, the Anticipated Year-End Variance budgeted at \$1,248,429 will not reflect any actual revenues; instead, the favorable variances are expected to be realized as expenditures savings by year-end.

General Fund Expenditures

The table below summarizes the General Fund budget and year-to-date expenditures through March 31, 2011. The "Adjusted Annual Budget" column represents the adopted budget, appropriation carryovers from the prior year, and any supplemental appropriations approved by Council in the current year.

As shown below, a year-to-date budget (labeled "YTD Budget") column is included. This represents 75% of the annual budget to coincide with 9 out of 12 months in the fiscal year having elapsed. Unlike revenues, where the collection rate during the year is often seasonally affected, salaries and benefits and several other types of expenditures tend to be incurred fairly evenly throughout the year. The table includes actual expenditures without encumbrances and another column for the variance after considering encumbrances. Inclusion of encumbrances can significantly distort the analysis of budgeted and actual expenditures after nine months.

Outstanding encumbrances include appropriations that were carried forward from prior year as part of the appropriation carryovers and contracts or blanket purchase orders that have been added in the current year but are expected to be spent over the coming months. The following discussion and analysis does not include the impact of encumbrances.

SUMMARY OF EXPENDITURES GENERAL FUND For the Nine Months Ended March 31, 2011							
Department	Adjusted Annual Budget	YTD Budget	YTD Actual	YTD Variance Without Encumbrance	Encum- brance	YTD Variance With Encumb Favorable (Unfavorable)	
						\$	%
Mayor & Council	\$ 686,819	\$ 515,114	\$ 521,907	\$ (6,793)	\$ 1,262	\$ (8,055)	-1.2%
City Attorney	1,867,900	1,400,925	1,491,629	(90,704)	-	(90,704)	-4.9%
City Administrator	1,849,353	1,387,015	1,325,350	61,665	41,749	19,916	1.1%
Administrative Svs.	1,661,770	1,246,328	1,170,150	76,178	22,756	53,422	3.2%
Finance	4,189,067	3,141,800	3,097,346	44,454	37,532	6,922	0.2%
Police	32,627,878	24,470,909	24,992,886	(521,978)	234,580	(756,558)	-2.3%
Fire	20,296,297	15,222,223	16,236,164	(1,013,941)	64,431	(1,078,372)	-5.3%
Public Works	6,571,047	4,928,285	4,783,440	144,845	89,106	55,739	0.8%
Parks & Recreation	12,885,815	9,664,361	9,122,484	541,877	366,055	175,822	1.4%
Library	4,258,939	3,194,204	2,782,150	412,054	11,247	400,807	9.4%
Community Dev.	9,960,413	7,470,310	7,268,394	201,916	69,670	132,246	1.3%
Non-Departmental	3,764,520	2,823,390	2,229,308	594,082	-	594,082	15.8%
Total	<u>\$ 100,619,818</u>	<u>\$ 75,464,864</u>	<u>\$ 75,021,208</u>	<u>\$ 443,656</u>	<u>\$ 938,388</u>	<u>\$ (494,733)</u>	-0.5%
% of annual budget		75.0%	74.6%	0.4%	0.9%	-0.5%	

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The adjusted annual budget of almost \$100.6 million includes a \$1.3 million expenditure reduction for budgeted labor concessions in the Police and Fire departments and a reduction of \$550,000 for mutual aid overtime costs. These adjustments were approved by Council at in February as part of the mid-year (2nd quarter) report. The \$100.6 million adjusted budget is a \$2.8 million reduction from the budget in the prior year. The year-to-date budget of \$75.5 million (75%) at March 31, compared to actual expenditures of \$75 million, resulted in a favorable variance of approximately \$444,000 (0.4%) at March 31 in the General Fund.

As of March 31st, the Mayor and Council, City Attorney, Fire, and Police departments exceeded their YTD budgets. Variances in these departments are discussed below.

Mayor and Council departmental expenditures were almost \$7,000 over YTD budget at March 31. This is due to the cost of interns in the first half of the year and benefit costs that are in excess of the budgeted amount. Health insurance costs are budgeted based upon an estimate of the cost of providing coverage for employees and are impacted by the actual insurance options elected by the employees. Expenditures for materials, supplies, and services are being reduced as much as possible to offset negative variances. At this time it is considered likely that expenditures will slightly exceed budget at year-end. Departmental expenditures will be monitored and a request for appropriations will be brought to Council at the end of the fourth quarter if it is necessary.

City Attorney departmental expenditures were approximately 4.9% (\$91,000) over the YTD budget. Salaries and benefits expenditures were over the YTD budget, primarily due to a vacation cash out from the retirement of an assistant City Attorney at the beginning of the year and promotion of a law clerk to a Deputy City Attorney position. Materials, supplies, and services were almost \$28,000 over budget due to the purchase of office furniture and equipment, paper and copy costs, and legal subscriptions. Expenditures are projected to exceed appropriations by approximately \$54,000 and, accordingly, staff is requesting additional appropriations.

Police Department expenditures were approximately \$522,000 (1.6%) above the YTD budget at March 31. Most of this negative YTD budget variance is due to the timing of payrolls thus far in the fiscal year, with 20 of the 26 (76.92%) bi-weekly payrolls occurring in the first 9 months. Additionally, Police Department expenditures are above the straight line percentage during the year because there are a disproportionate number of community activities, including July 4th and Fiesta, in the first quarter of the year. Annual expenditures are expected to be within budget without requesting additional appropriations. In connection with the adoption of the fiscal year 2011 budget, Council added \$200,000 to the appropriated reserves account to fund, as needed, cost overruns in the Police Department due to over-hiring. Staff will continue to monitor the Police budget over the final three months of the fiscal year and will request that Council allocate funds from the appropriated reserves account to the Police Department if the appropriations limit will be exceeded.

Fire Department expenditures are in excess of \$1 million over the YTD budget at March 31. As previously noted, 76.92% of payrolls have occurred, resulting in \$343,000 of the negative YTD variance. Additionally, staff reported to Council in the mid-year report that there have been an extraordinary number of firefighters out due to injury and that has required a higher than normal degree of overtime to maintain minimum staffing requirements. Many of the injured employees

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have retired and, thus, the level of overtime costs is expected to decrease throughout the remainder of the year. However, the department has experienced additional overtime costs while new firefighters have been trained in the fire academy. Total expenditures in the Fire Department are expected to exceed budget by approximately \$872,000 at year-end. Staff is requesting additional appropriations at this time that will be funded from an increase in budgeted transient occupancy tax revenues.

All other departmental expenditures are within the YTD budget and are expected to finish the year within their adjusted budgets.

Non-Departmental expenditures were approximately \$594,000 (15.8%) under the YTD budget mostly because none of the \$943,000 Appropriated Reserve has been used. This reserve is intended to be used for unanticipated needs that may arise during the year and accounts for approximately 25% of the overall budget in this department. Of this total, \$200,000 was established to provide funding to the Police Department as necessary for over-hiring of police officers.

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Enterprise Fund Revenues and Expenses

Unlike the General Fund, which relies primarily on taxes to subsidize programs and services, Enterprise Fund operations are financed primarily from user fees and other non-tax revenues. The table below summarizes Enterprise Fund revenues through March 31, 2011, with a comparison to budget and prior year. Note that the "YTD Budget" column has been calculated based on a 3-year average collection rate through March 31st. This rate, which is shown as a percentage in the "3 Year Average Rec'd" column, has been applied to the annual budget amount to arrive at the Year-to-Date Budget. This approach is used in recognition that enterprise fund revenues, like General Fund tax revenues, are seasonally affected and are not necessarily received evenly throughout the year.

As shown below, half of the enterprise fund revenues are in line with the YTD budget. All revenue variances were within 2.4% of the YTD budget, except for the Airport and Golf Funds. A more detailed discussion is provided later in this section of the report.

SUMMARY OF REVENUES & EXPENSES Nine Months Ended March 31, 2010 ENTERPRISE FUNDS								
	Current Year Analysis						Prior Year Analysis	
	Annual Budget	YTD Budget *	YTD Actual	YTD Variance	YTD Percent	3 Year Average	YTD Actual	% Variance
Water Fund								
Revenues	\$ 34,632,686	\$ 25,912,176	\$ 25,088,648	\$ (823,528)	72.4%	74.8%	\$ 26,031,756	-3.6%
Expenses **	35,669,711	26,752,283	24,642,429	2,109,854	69.1%	75.0%	26,425,717	-6.7%
Wastewater Fund								
Revenues	14,985,411	11,297,501	11,447,550	150,049	76.4%	75.4%	11,041,726	3.7%
Expenses **	19,066,345	14,299,759	14,043,779	255,980	73.7%	75.0%	11,201,251	25.4%
Downtown Parking Fund								
Revenues	6,689,440	4,945,503	5,036,053	90,550	75.3%	73.9%	5,079,199	-0.8%
Expenses **	7,391,283	5,543,462	5,454,206	89,256	73.8%	75.0%	5,841,394	-6.6%
Airport Fund								
Revenues	13,065,477	9,203,322	10,097,243	893,921	77.3%	70.4%	9,491,955	6.4%
Expenses **	13,134,132	9,850,599	9,274,693	575,906	70.6%	75.0%	9,028,700	2.7%
Golf Fund								
Revenues	2,049,194	1,626,240	1,326,119	(300,121)	64.7%	79.4%	1,468,098	-9.7%
Expenses **	2,060,811	1,545,608	1,542,488	3,120	74.8%	75.0%	1,995,306	-22.7%
Waterfront Fund								
Revenues	11,762,974	8,857,519	8,642,049	(215,470)	73.5%	75.3%	8,725,329	-1.0%
Expenses **	11,850,433	8,887,825	8,856,850	30,975	74.7%	75.0%	8,665,504	2.2%
* The YTD Budget column has been calculated based on a 3-year average collection rate through March 31 which has been applied to the annual budget.								
** Expenses include encumbrances at March 31								

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Enterprise fund expenses through March 31, 2011, with a comparison to budget and prior year, are also summarized in the table on the previous page. The column labeled "YTD Budget" represents 75% of the annual budget column. Although many expenses tend to be incurred somewhat evenly throughout the year, there are some notable expenses that do not. These expenses, such as debt service and capital projects, can create significant temporary variances from the YTD budget at certain times during the year.

The expenses shown in the table include outstanding encumbrances at March 31, 2011. Outstanding encumbrances include appropriations that were carried forward from prior year as part of the appropriation carryovers and contracts or blanket purchase orders that have been added in the current year but are expected to be spent over the coming months.

Expenses in all enterprise funds are under the year-to-date budget at March 31, 2011. Both Salaries & Benefits and Materials, Supplies, & Services expenses were under the YTD budget at March 31 in all of the enterprise funds. As previously noted, there is a temporary variance in salaries and benefits at March 31 due to 76.92% of annual pay dates occurring in the first 75% of the fiscal year. The following discussion highlights some of the more significant revenue and expense variances of the enterprise funds, in relation to budget or prior year.

Water Fund

Water Fund revenues were approximately \$824,000 (2.4%) below the year-to-date budget as of March 31st. Of the \$34.6 million in budgeted Water Fund revenue this year, approximately \$30.4 million (87.6%) is derived from charges for metered water service. Metered water sales were approximately 6% below the 3-year average at March 31 and accounted for most of the overall negative revenue variance in the fund. Consumption is the primary factor impacting metered water revenue variances and can be largely affected by weather conditions. We experienced approximately 300% of normal rainfall in the first half of the year and, consequently, water sales were below the YTD budget. The amount of rainfall in the next three months will impact annual sales. At this time staff is projecting that Water Fund revenues will be approximately \$1.2 million (3.4%) under budget at year end. Staff will continue to monitor the status of revenues and will reduce expenses to the extent possible to minimize the revenue shortfalls.

Expenses for the Water Fund were approximately 5.9% under the YTD budget and \$1.8 million below expenses for the first nine months of the prior year. The YTD budget variance is primarily the result of salary savings of 4.9% (\$373,000), approximately \$417,000 (4.1%) for materials, supplies, and services, and almost \$769,000 for water purchases. These expenses include water treatment chemicals & supplies, repairs & maintenance, and non-contractual services. Additionally, there is a \$270,000 variance in debt service due to the timing of scheduled payments and \$113,000 in appropriated reserves that have not been spent.

Airport Fund

Airport Fund revenues are approximately 6.9% (\$894,000) ahead of the YTD budget at March 31 and approximately 6.4% (\$605,000) ahead of revenues for the first nine months of the prior year. All sectors, except commercial aviation, exceeded the YTD budget at March 31. Passenger traffic has increased steadily in the past year and fuel sales have exceeded budget.

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For the Nine Months Ended March 31, 2011 (75% of Year Elapsed)*

Commercial/Industrial revenue is 6.6% above target, Non-Commercial Aviation revenues have surpassed the annual budget, and Airline Terminal revenue was 5.2% above the YTD budget.

Airport expenses were \$576,000 below the YTD budget at March 31. Salary and benefits were 2.4% below the YTD budget due to vacancies in Patrol and Maintenance. Special projects expenses were \$268,000 below budget and the \$270,000 appropriated reserve is unspent. Expenses are projected to end the year under budget.

Golf Fund

Golf Fund revenues were approximately 14.7% below the YTD budget for the first nine months of the year and 9.7% below those for the same period in the prior year. The number of rounds played, and associated revenue, have been impacted by the extremely wet winter months, the slow economy, and capital improvements to the golf course. Staff projects that revenues will end the year approximately 11% below budgeted revenues.

Golf Fund expenses in line with the YTD budget at March 31st. The Fund will reduce expenses as much as possible to offset the anticipated negative revenue variance.

Waterfront Fund

Waterfront Fund revenues were 1.8% (\$215,000) below the YTD budget at March 31 and approximately 1% below prior year revenues for the same period. Slip transfer fees were approximately \$131,000 below the YTD budget and parking revenues were approximately \$109,000 below the YTD budget but lease revenues slightly exceeded YTD budget at March 31. It is difficult to project where slip transfer fees will end the year but staff is anticipating a negative variance at June 30. Parking revenues were down in all lots and this has been attributed to the cold and foggy weather at the Santa Barbara beaches during the first half of the year. Overall, Waterfront revenues are anticipated to end the year approximately 2.4% (\$284,000) below budget.

Waterfront expenses were in line with the YTD budget at March 31. Expense savings are anticipated to offset a portion of the projected revenue variance.